

**FISCAL MEMORANDUM
SB 1764 – HB 1849**

April 19, 2007

SUMMARY OF AMENDMENT (006704): Deletes the language of the original bill. Authorizes the State Treasurer, with the approval of the Board of Claims, to consider proposals (for obtaining insurance on state buildings) from admitted carriers and non-admitted surplus lines carriers. Non-admitted carriers are required to meet certain specified requirements for eligibility.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- To be eligible, non-admitted carriers must: (i) have a minimum A.M. Best rating of “A XIV”, (ii) be a member of an insurance holding company system that has at least one affiliate carrier admitted in Tennessee as a property/casualty insurer, and (iii) submit a premium quote that is at least 10% less than the minimum quote provided by all qualified admitted carriers.
- According to the State Treasurer, this bill as amended will not increase state expenditures beyond the estimated fiscal impact of the original bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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